



Performance. Service. Integrity.

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March 21, 2008

Jon Neiderbach
Issuing Officer
Iowa Department of Human Services
Division of Financial, Health and Work Supports
Hoover State Office Building, 5th Floor
1305 E. Walnut
Des Moines, Iowa 50319-0114

Re: Request for Proposal #FHWS-08-17
Administrative Services for the Healthy and Well Kids in Iowa (*hawk-i*) Program
Supplemental Information and Best and Final Offer

Dear Mr. Neiderbach:

In response to your March 14, 2008, letter, Policy Studies Inc. provides our Supplemental Information and Best and Final Offer, responding fully to each of the items described in your letter and providing a revised Cost Response Form.

As an officer of PSI, I am empowered to sign this Best and Final Offer binding the company to all statements, including services and prices, contained herein.

We look forward to your response to our Best and Final Offer.

Sincerely,

Mark Levy
President



Performance. Service. Integrity

hawk-i

*Supplemental Information
and Best and Final Offer*

**Proposal for Administrative Services
for the Healthy and Well Kids in Iowa Program**

RFP #FHWS-08-17

March 21, 2008

Submitted to:
Jon Neiderbach, Issuing Officer
Iowa Department of Human Services
Division of Financial, Health and Work Supports
Hoover State Office Building, 5th Floor
1305 E. Walnut
Des Moines, IA 50319

Submitted by:
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COST PROPOSAL

PSI was one of the two most expensive bidders in the PMPM cost category.

PSI is committed to delivering high quality, value-driven solutions to its clients. When developing the annual PMPM for the *hawk-i* proposal, PSI took into consideration the enrollment level which might trigger the use of the PMPM rate.

As set forth in RFP Attachment 13, Section 7, Example 2, PSI understands that a yearly enrollment increase of at least 15% must take place before we may begin invoicing a PMPM fee. This suggests that PSI would deliver services to the incremental population for one year without additional compensation. Consequently, the PMPM included in our proposal is adjusted to account for this financial risk. If the Iowa Department of Human Services is willing to consider any of the following three alternatives, PSI is prepared to offer a reduced PMPM to the Department.

1. Compensate PSI retroactively for the prior year in the event of a year-over-year enrollment increase of at least 15%.
2. Amend the calculation to reflect a month-over-month increase of 1.25% ($15\% \div 12$ months).
3. Modify Section 7 in any other way that the Department deems appropriate to minimize the possibility of serving a 15% or greater increase in the *hawk-i* population for one year without compensation.

Based on our conversation with the State during our Orals presentation, PSI has re-evaluated our pricing to be more responsive to the State's needs. We negotiated better pricing with vendors and identified other efficiencies throughout our proposed solution. Our revised cost proposal is attached.

PSI has an existing contract with Iowa, the Iowa Medicaid Enterprise. By expanding that relationship, the State will continue to have a long-term strategic business partner, which will ultimately benefit the State and its citizens. We want Iowa's business and look forward to negotiating a final contract for the *hawk-i* program with the Department.

SERVICE REQUIREMENTS

Based on the composite team score before oral presentations, PSI was one of the top two bidders in terms of overall score in the Service Requirements category of Section 5.4.2 of the RFP. The areas in which PSI received a composite score of less than 3.0 in this scoring area were:

- ♦ *How well has the bidder described their financial capability to undertake and fulfill the service requirements?*

With annual revenues in excess of \$170M and the second largest bank in the United States as our lender, PSI is solvent and financially stable, with financial resources that are more than adequate to operate our business and fully execute the *hawk-i* services contract. The 2006 net loss was due in part to a non-cash write-off of the cost of a legacy software development project while simultaneously reinvesting nearly \$10M in PSI's new *Vida*™ IT platform. Our base operations were and remain profitable, our cash flow is positive, and we have



met all financial obligations to our lenders and shareholders. To confirm PSI's financial solvency, while continuing to internally fund the *Vida* platform development, we were successful in 2007 in substantially reducing our bank debt.

In March 2007, our lender, Bank of America, provided PSI an increased line of credit and an expanded capital lease line, both at competitive rates, due to the financial stability of PSI's operations, positive cash flow, strong core business, management credibility, and growth prospects. We also have outside investors who are fully committed to backing PSI's capital needs and success. Both Bank of America and Endeavour Capital are available to confirm these attestations of solvency and stability with any representative of the State of Iowa.

For 2008 and going forward, we are projecting stronger financials, continued compelling revenue growth, and positive net income. In PSI's entire 24 years of operation, we have never failed to have an on-time start-up and implementation of a contracted project. Iowa, through its experience with PSI's operation of the IME, has already seen that PSI is a sound partner. Like the 33 other states who work with PSI, Iowa can have complete confidence in PSI's ability to remain financially viable throughout the entire contract term.

- ♦ *Has the bidder provided sample reports, are they easy to read and understand?*

In an attachment at the end of this document, we show examples of four standard reports from our other SCHIP programs:

- ♦ Program Daily Call Profile, which reflects daily call volume, activity, and disposition
- ♦ 6-month Insurance Report, which captures the cases for which an insurance data match process revealed the SCHIP member had private insurance
- ♦ Phone Coverage Report (Monthly), which details the call center's volume and performance
- ♦ Cancel Reasons Monthly Report, which itemizes the reasons why members have been cancelled from the SCHIP program

These reports display a range of styles and appearances; PSI's reports for Iowa will be designed for clear communication of data detail in every area, to help the State understand program activity, performance, and trends. For the *hawk-i* program, PSI will utilize multiple reporting methods:

1. Standard Reports
2. Telephony Reports
3. Ad Hoc Reports
4. On-Demand Reports

Standard Reports

Standard reports are generated within the *Vida* platform and constructed to meet the RFP guidelines established by the State. The reporting process uses the Windward Reporting engine, embedded in the *Vida* platform, to run reports in a "batch process" mode (generally run after hours as to not impact operations). Reports are posted to the Vida Web User Interface in the Reports tab, which is available to authorized users based on job roles.



Telephony Reports

Telephony reports are generated within the Cisco Enterprise IP Contact Center system. This IPCC reporting engine extracts call management statistics based on defined guidelines (e.g., hourly/ monthly, hold time/abandonment rate, handle times). These reports are then posted to the Web Portal for viewing by the State.

Ad Hoc Reports

Ad hoc reports are generated within the replicated copy of the Transactional Data Store (so as to not impact operations) using the Cognos 8 Business Intelligence tool. The State can access this ad hoc tool through the Web Portal, construct customized reports based on need, and then export the reports to the desired format (PDF, Excel, etc). This data mining tool allows the State to report against any exposed elements of the data store, “slice and dice” the data as needed, and model changes or gauge impact of proposed changes.

On-Demand Reports

On-Demand reports are an extension of the ad hoc reporting capabilities of the Cognos 8 toolset. When a State user creates an ad hoc report, PSI also allows the user to save this report template within their Cognos “User Space.” Using the saved templates, users can re-run these requests on demand, without the need to re-build a report each time it is needed.

- ♦ *What, if any, does the bidder have as pending legal proceedings that could affect the bidder’s performance under the proposed Contract?*

Any entity, large or small, private or public, may from time to time have pending legal proceedings that could range from an action of the entity to matters related to personnel decisions. At this time, PSI has no pending legal proceedings, nor are we aware of the potential for any that will or could affect PSI’s performance under the proposed contract. There are no current, pending, or threatened legal proceedings against PSI that threaten the continuity or solvency of PSI or the availability of resources to support the Iowa project.

We do want to further the discussion from the Orals presentation on the childcare and child welfare system project. PSI and the Iowa Department of Human Services have agreed in principle to terminate their contract for development and implementation of a new childcare MIS & SACWIS GUI. When we submitted our *hawk-i* proposal, the status and disposition of that contract was not finalized. Since the submission, the agreement in principle has occurred, we do not anticipate legal action from either party, and we are close to finalizing a settlement agreement and release. While this was a disappointing development for both sides and can be attributed to many factors primarily focused around clarity of scope, we do not view it as having any effect on our ability to deliver *hawk-i* services. As discussed in the Orals presentation, while both consulting and operations now report to PSI’s chief operating officer, they did not until very recently; this change promotes closer communication and collaboration among the consulting and operations divisions. The Iowa systems project resided within the management structure of PSI’s consulting team, which has a management team that is separate and distinct from PSI operations. Since the contract disposition, we have changed the



management team in consulting, terminated accountable personnel, and modified our procedures to prevent similar situations in the future. In any event, the systems development for that project was separate from and independent of the PSI team that develops and supports our operations infrastructure for managing projects like *hawk-i*. In the end, we are committed to the deadlines, quality, and services described in our proposal and will deliver them to the Department

EXPERIENCE

Based on the composite team score before oral presentations, PSI was one of the top two bidders in terms of overall score in the Experience category of Section 5.4.2 of the RFP, and PSI received no score in the Experience category below a 3.0.

Over the past 11 years, PSI has administered multiple SCHIP and Medicaid programs across the country, managing every aspect of service delivery. Our experience translates into an intimate understanding of SCHIP programs and their customers and needs, and a unique solution that quickly addresses multiple challenges, including policy changes, program enhancements, and State and federal funding limitations.

For example, we:

- ♦ Are managing nearly 1 million government health services cases (SCHIP and enrollment broker participants)
- ♦ Launched the nation's first successful stand-alone SCHIP in Colorado
- ♦ Created and implemented the first online PeachCare for Kids application in Georgia to help customers get coverage for eligible children faster
- ♦ Acted quickly and effectively to react to legislative actions in Georgia that caused enrollments to close and then reopen within a matter of months
- ♦ Developed a new electronic payment feature in Georgia to facilitate families' ability to maintain their children's coverage and reduce late payments
- ♦ Expanded the number of enrollees in the Florida Healthy Kids and KidCare program from 16,000 in 1996 to more than 363,500 in 2004
- ♦ Responded quickly to significant legislative changes that affected the entire Florida Healthy Kids program for several years, and effectively handled unexpectedly high call and application volumes due to those changes
- ♦ Streamlined enrollment processes and increased efficiencies, resulting in annual savings of more than \$1 million per year for the State of Maryland

Our management team has extensive Medicaid and health administration experience, and our operations team is familiar with every element of an SCHIP program—from application processing through eligibility determination and enrollment to premium processing, account maintenance, customer service, and quality assurance. That operational experience will translate smoothly into our *hawk-i* operations. Overall, our expertise will allow PSI to continue to build on our record of excellence in Iowa as we work with DHS to advance the *hawk-i* program.



PERSONNEL

Based on the composite team score before oral presentations, PSI was one of the bottom two bidders in terms of overall score in the Personnel category of Section 5.4.2 of the RFP. The areas in which PSI received a score of less than 3.0 were:

- ♦ *Do key personnel assigned to the project have experience on similar projects?*
- ♦ *Are resumes complete and do they demonstrate backgrounds that would be desirable for individuals working on the project?*
- ♦ *How extensive is the applicable education and experience of key personnel now designated to work on the project?*

PSI submits the following detail regarding RFP Section 5.4.2, Personnel, to address the State's questions and more thoroughly describe our staffing approach, in turn strengthening our overall score in this area.

Support from Corporate Leadership

PSI provides an enormous amount of corporate support behind the scenes to ensure the local operations are successful. We support all of our site staff with program-specific knowledge, strategic thinking, and tactical assessments. The key management staff we have proposed for the *hawk-i* program—Doug Howard, Dawn Gelle, and Amy Kownack—are well qualified and experienced to guide and counsel the site staff leaders. In the proposal, we provided their resumes; here, we highlight their credentials.

All three of these individuals have a broad background serving health and human service agencies; most importantly, they have delivered results that have positively impacted children and families and improved performance for our state partners.

- ♦ Mr. Howard, known to the Department from his former role as DHS Administrator of the Division of Economic Assistance, is the senior sponsor of PSI's relationship with the State of Iowa. The former president of the American Public Human Services Association, he will serve as an SCHIP and project advisor to the *hawk-i* site.
- ♦ As regional vice president, Ms. Gelle has over 12 years of experience directing dozens of health and human services operations. She will work closely with the site manager to ensure strategic and tactical contract objectives are met.
- ♦ Ms. Kownack will serve as the senior customer liaison, providing a direct line of communication between the Department and PSI. She has over 10 years of leadership experience with human services programs and extensive education in social work and policy, program planning, administration, and community organization.

We give the managers closest to our clients the authority to make decisions that deliver the best short- and long-term benefits for our clients. In other words, the people who understand the client best and are closest to our site operations are the ones making key decisions.

Some of the support that we provide to our site staff is often transparent to the client; as this was not described in detail in our proposal, here we provide a closer look at one aspect of that support: institutional knowledge and expertise regarding SCHIP programs. One of PSI's key staff, client relationship executive Peg Moster, shares her SCHIP knowledge throughout our organization. Ms. Moster, who was introduced to the Department at our Orals presentation, will serve in a project advisor role to the *hawk-i* program. As an



advisor, she will ensure our local program management staff has ready access to the knowledge, expertise, support, and best practices from our other SCHIP programs.

In her role as project advisor, Ms. Moster will draw on her extensive health services background, which includes over 30 years of experience with Medicaid and related programs. For over six years, she directed program operations for PSI, administering several contracts with state agencies and other organizations for children's health insurance eligibility determination, enrollment, premium collection, and customer service. This included oversight of 200 employees and the administration of two SCHIP programs, Georgia PeachCare for Kids and Florida Healthy Kids; management of Medicaid accounts for Georgia; and management of a premium-processing contract for the Hoosier Healthwise Package C and M.E.D.Works programs in Indiana. She was responsible for all aspects of service, including processing, financial, and customer service issues, as well as developing and managing the annual budget, defining performance objectives, and maintaining all client, public, and governmental relations.

Ms. Moster manages contracts with organizations and state agencies charged with the administration of Title XIX, Title XXI, and other health and human services programs. She works with clients during contract negotiation and implementation, and throughout the term of a contract, to promote a solid relationship. Ms. Moster also works with state officials to explore creative and economical solutions to operational challenges for new and existing state government services and to coordinate internal resources, such as technology and operations, to implement those solutions. She also brings practical hands-on administrative operations experience and a government background to client relationships and contract administration.

Ms. Moster's wide-ranging experience with the overall direction of new programs, staff development, recruitment, performance reporting, system enhancements, and personnel issues makes her a key asset to the Iowa *hawk-i* team. As a consultant, she will lend her considerable expertise to the development and operation of the *hawk-i* office.

Qualified Program Leadership On-Site

The State has also asked PSI to address the qualifications of our key site staff. Here, we provide a fuller discussion of our considered approach to the selection of the program manager.

- ♦ If PSI is the vendor of choice identified and approved at the April 7th board meeting, we will begin an immediate nationwide search for candidates and work closely with the DHS staff on hiring a permanent program manager with SCHIP experience. PSI is confident that we will have a highly qualified candidate recruited and on board no later than 90 days prior to go live.
- ♦ We are confident that we have selected an Interim Program Manager with the experience and background appropriate to lead the transition of the *hawk-i* office, working hand in hand with the permanent program manager to launch a well-designed and fully operational customer service center on January 1, 2009. Having an Interim Program Manager allows us to begin phase-in planning immediately upon contract award and to have sufficient time to search for the best qualified permanent program manager.



In our proposal, we listed an Interim Program Manager. The State has asked if key personnel have experience on similar projects. We believe the State's question has two aspects:

- ♦ Is it viable to have an Interim Program Manager who initiates the transition and later hands off the customer service center to a permanent program manager?
- ♦ Does the Interim Program Manager named in our proposal have the experience to serve successfully in that role?

In response to the first aspect, PSI is certain that we have proposed a viable, sound solution. Indeed, we have used this approach in other implementations with excellent results. Most recently, one of our outgoing child support program managers served as interim program manager for the launch of CoverKids, our SCHIP in Tennessee. She successfully gained SCHIP experience, and then launched and managed that program for six months, in 2007, before transitioning its management when she retired. Today, we continue to have a smooth running CoverKids operation, led by a permanent program manager who also did not have significant prior SCHIP experience. It has been PSI's experience that outstanding project management experience, solid leadership skills, and a collaborative approach are critical to success, while specific program knowledge can be gained with detailed training and supported with expert corporate resources.

In our proposal, we named Kelly Peiper as the Interim Program Manager. We believe that her skills and past experience position her as the right candidate for that role. We will build on the solid foundation of her considerable skills and experience with a training plan that will give Ms. Peiper sufficient SCHIP knowledge to serve in that role.

PSI's goal is to ensure that the numerous details of the SCHIP start-up and transition are handled by a well-seasoned project manager. Ms. Peiper is a long-term, highly skilled, and valued employee of PSI. She holds a bachelors degree in public administration and is an attorney and a national expert in other government programs, giving her considerable experience in dealing with all the issues and stakeholders typically involved in public projects. Ms. Peiper is a Certified Project Management Professional, well versed in leading program offices. She is experienced in transitioning operations, getting programs solidly launched and ready to hand off to the permanent program manager. Ms. Peiper served as Implementation Manager for our Iowa Medicaid Enterprise Provider Services Unit. To prepare that office for go-live, she developed risk assessment and mitigation tools, a disaster recovery plan, and a case tracking workflow. Highly experienced in business process redesign, Ms. Peiper also developed calendars, forms, automated status reports, and procedure manuals. All of these valuable skills and experiences will be immediately applicable in her role in readying the *hawk-i* program office for launch.

If PSI is the selected vendor, we will have Ms. Peiper participate in at least four types of in-depth training to ensure she is educated about SCHIP programs:

- ♦ Completing all of PSI's standard training modules on SCHIP programs will provide a solid base of knowledge.
- ♦ Working alongside the program manager in one of our other SCHIP programs will give her day-to-day hands-on experience and one-on-one custom training.



- ♦ Participating in PSI's regular conference calls with our other SCHIP program managers will provide continuous institutional knowledge and expert insight about best practices for core program elements.
- ♦ Joining in PSI's many informal networks will afford ongoing support and subject matter expertise from local management and a wealth of corporate resources.

PSI is confident that our extensive training and support of the Interim Program Manager, combined with our selection of a highly qualified permanent program manager, will best serve the interests of the State in smoothly transitioning and successfully operating a *hawk-i* customer service center that will meet or exceed the State's performance expectations.

QUESTIONS THAT REMAINED FOLLOWING ORAL PRESENTATIONS

1. Please further explain your use of the algorithm to determine staffing levels to meet the requirement of the RFP.

As indicated by the composite score awarded to the Experience section of our proposal, PSI has a long history of operating successful SCHIP programs across the nation. This operational experience has afforded us the opportunity to study in detail the cause-and-effect relationships that trigger SCHIP program variability. Our analysis has yielded a distinctive operational approach that emphasizes flexibility.

PSI's approach is underscored by a model that combines best-in-class technology with a robust approach to cross-training that optimizes our use of part-time staff. In practice, these tools allow us to quickly and efficiently deploy personnel resources where they are needed most—from handling calls to serving walk-in customers—while leveraging technology and a close partnership with DHS to minimize the impact on member service. As an example, in our call centers, we make assumptions about call volume and CSR productivity to estimate the proper ratio of staff to calls. For application processing, we use our experience to determine the efficiency of eligibility specialists in reviewing documentation and entering data; this determines the ratio of specialists to application or enrollment volume. Should call volume spike, we would temporarily move one or more specialists onto the phones; our cross-training and constant monitoring of Center activity makes this possible. For handling routine volumes in the Iowa center, we estimate:

5,900 calls/month = 70:1 calls per CSR per day
22,000 enrollees = 5,500:1 enrollees per specialist

While PSI cannot account for every variant of legislative or programmatic changes, we are confident that the use of our proprietary analytical techniques, combined with best-in-class operational modeling software, has resulted in the best possible solution for the *hawk-i* program given the information provided in the RFP.

2. Will bidder make raw enrollment data available to the Department on a monthly basis pursuant to section 3G.1.F of the RFP at no additional charge? If not, define how charges would be calculated.

Yes, PSI can give the Department *hawk-i* enrollment data every month. PSI will utilize an Oracle Enterprise Database server to house the program's Transactional Data Store. Thirty days after contract go-live



(following the required data migration), PSI can provide a duplicate copy of this Transactional Data Store to the Iowa State IT department, for use as an Operational Data Store for the State Business Intelligence system. PSI is willing to handle this data transfer at no additional charge to the State, based on a few stipulations that clarify PSI's and the State's responsibilities:

1. PSI will provide this initial Data Store in its native Oracle format.
 - ♦ PSI proposes that the State provide an Oracle Database Server to house this Data Store.
2. PSI will not be responsible for any data transformation of the Data Store.
3. PSI proposes providing "transaction log shipping" to ensure this Data Store is kept up to date.
 - ♦ To limit the size of the replicated changes, PSI proposes shipping these transaction logs nightly.
 - ♦ For the data transfer, PSI will use the PSI–State Wide Area Network connection specified in our original proposal.
 - ♦ PSI will deliver these transaction logs via secure FTP.
 - ♦ PSI will automate these data transfers utilizing the Corporate Enterprise Job Scheduler.
 - ♦ PSI will monitor these data transfers with the Corporate Enterprise monitoring system.
4. PSI will not be responsible for applying these logs to the delivered duplicate Date Store.

If for any reason there exists any requests for subsequent copies of the Transactional Data Store, except the transaction logs, PSI is willing to provide these copies on a time and materials basis.

3. Bidder may want to explain what is included in the "other" line item in the cost proposal.

Pursuant to section 4.3.1 of the RFP, the primary component of "Other" costs is the pro-rated implementation cost detailed in our response to RFP Attachment 12. Additionally, this line contains all other ongoing costs not detailed elsewhere in the Cost Proposal Form. These are:

- ♦ Ongoing equipment and systems maintenance
- ♦ Training and recruitment
- ♦ Printing and fulfillment (excluding postage)
- ♦ Ongoing phone charges
- ♦ Temporary/variable labor
- ♦ Program delivery fee
- ♦ Depreciation and amortization (not included in implementation)
- ♦ Property tax
- ♦ Office supplies
- ♦ Insurance
- ♦ Travel expenses
- ♦ Corporate services (human resources, accounting, payroll, etc.)

Program Daily Call Profile

Date 9/26/2007

% Within Service Levels 63.6

Seconds	0	5	10	15	20	30	45	60	75	90
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Answered	1973	199	159	140	248	314	241	157	94	295
Abandoned	4	18	7	5	6	11	3	2	1	7

Total Calls Answered	3820
Total Calls Abandoned	64
Total Calls Received	3884
Total Answered within Svl	2471
Total Answered within 60 Sec	3274
Total Duration in Minutes	186:41:00

	min:sec	sec
Average Speed of Answer	:28	28
% Answered	98.35	
Average Time to Abandon	:34	34
% Abandoned	1.65	
Average Call Duration	3:47	227
Total Hold Time in Seconds	59898	

Total Calls to Intuition	734
Total Calls to IVR	1,418
Total Calls Requesting a Call Back to to Voice Mail	358
Total Calls to Information Messaging	395

6 Month Insurance Report

Parent ID	Insurance Account Number	Kid ID	Had Other Insurance	Parent Note	Date Entered	Date Application Signed	Insurance Date
4444225297	111223333Z	3333996213	Y	I COULD NOT AFFORD IT	2/8/2006	1/1/1900	1/1/1900
4444225297	222333444Z	3333996211	Y	I COULD NOT AFFORD IT	2/8/2006	1/1/1900	1/1/1900
4444225297	999797981Z	3333996212	Y	I COULD NOT AFFORD IT	2/8/2006	1/1/1900	1/1/1900
4444254516	847600781Z	3331332295	Y	FATHER BECAME SELF EMPLOYED	2/24/2006	1/1/1900	1/1/1900
4444273973	076407799Z	3333992233	Y	IT WAS AN INDIVIDUAL POLICY	1/31/2006	1/1/1900	1/1/1900
4444337422	313313444Z	3331334797	Y	LOSS OF JOB	3/3/2006	1/1/1900	1/1/1900
4444371842	324456737Z	3331345534	Y	MEDICAID	6/17/2006	1/1/1900	1/1/1900
4444492474	566888999Z	3331316146	Y	JOB CHANGE	4/3/2006	1/1/1900	1/1/1900
4444492474	111112222Z	3331316147	Y	JOB CHANGE	4/3/2006	1/1/1900	1/1/1900
4444518338	998877665Z	3333983933	Y	WE MOVE TO A DIFFERENT STATE	1/3/2006	12/30/2005	1/1/1900
4444518454	345345345Z	3333981373	Y	FATHER LOST JOB	1/3/2006	1/1/1900	1/1/1900
4444518763	232323232Z	3333981779	Y	FATHER LOSS OF EMPLOYMENT	1/4/2006	1/1/1900	1/1/1900
4444518847	121232322Z	3333982339	Y	INSURED WITH MOTHER	1/5/2006	1/1/1900	1/1/1900
4444518918	467578899Z	3333982155	Y	CHILD'S DAD CHANGED JOBS	1/5/2006	1/1/1900	1/1/1900
4444518959	123123343Z	3333982223	Y	INCOME CHANGED (MEDICAID)	1/5/2006	1/1/1900	1/1/1900
4444518983	656764433Z	3333982265	Y	FATHER LOST HIS JOB	1/5/2006	1/1/1900	1/1/1900
4444518983	345454546Z	3333982266	Y	FATHER LOST HIS JOB	1/5/2006	1/1/1900	1/1/1900
4444519571	121239898Z	3333983468	Y	WILL EXPIRE IN FEBRUARY	1/9/2006	1/1/1900	1/1/1900
4444519858	121232322Z	3333984372	Y	HURRICANA KATRINA	1/10/2006	1/1/1900	1/1/1900
4444519864	777777777Z	3333984377	Y	MEDICAID	1/10/2006	1/1/1900	1/1/1900
4444519879	666666666Z	3333984113	Y	NO QUALIFIED FOR MEDICAID	1/10/2006	1/1/1900	1/1/1900
4444524486	555555555Z	3333984526	Y	PARENT DID NOT RE ENROLL	1/11/2006	1/1/1900	1/1/1900
4444524113	444444444Z	3333984583	Y	FATHER LET GO FROM JOB	1/11/2006	1/1/1900	1/1/1900
4444524113	333333333Z	3333984581	Y	FATHER LET GO FROM JOB	1/11/2006	1/1/1900	1/1/1900
4444524113	222222222Z	3333984582	Y	FATHER LET GO FROM JOB	1/11/2006	1/1/1900	1/1/1900
4444524113	111111111Z	3333984583	Y	FATHER LET GO FROM JOB	1/11/2006	1/1/1900	1/1/1900
4444524617	323323232Z	3333985673	Y	FATHER LOST JOB	1/13/2006	1/1/1900	1/1/1900
4444524842	593595955Z	3333986148	Y	LOST DENTAL AND VISION	1/17/2006	10/28/2005	1/1/1900
4444524895	975395396Z	3333986258	Y	KATIE BECKETT MEDICAID	1/17/2006	1/1/1900	1/1/1900
4444524895	874086086Z	3333986259	Y	KATIE BECKETT MEDICAID	1/17/2006	1/1/1900	1/1/1900
4444521457	343234323Z	3333986517	Y	MEDICAID WAS CUT OFF	1/17/2006	1/1/1900	1/1/1900
4444521259	454545452Z	3333986973	Y	PARENT LOST JOB	1/18/2006	1/1/1900	1/1/1900
4444521264	666474844Z	3333986971	Y	COST WAS UNAFFORDABLE	1/18/2006	1/1/1900	1/1/1900

TOTAL NUMBER OF RECORDS: 33

PSI Phone Summary Report

Month: August 2007

Date	Total Network Calls	Total Blocked Calls	% Blocked	Total Recv'd in Queue	Total Ans'd	% Ans	Total Aban	% Abn	% Ans in 20 Sec	% Ans in 30 Sec	% Ans in 60 Sec	Avg Speed of Ans (Min:Sec)	Avg Time to Aban (Min:Sec)	Avg Call Duration (Min:Sec)	Staff On Phones (FTE)
08/01/2007	8,473	0	0.0%	3,339	3,261	97.7%	78	2.3%	62.6%	66.6%	77.1%	0:40	1:04	5:21	67
08/02/2007	7,538	0	0.0%	3,416	3,354	98.2%	62	1.8%	55.9%	60.2%	71.0%	0:41	0:47	5:31	69
08/03/2007	6,975	0	0.0%	2,970	2,948	99.3%	22	0.7%	82.8%	85.4%	91.4%	0:16	0:40	5:16	62
08/04/2007	1,541	0	0.0%									:	:	:	
WTD	24,527	0	0.0%	9,725	9,563	98.3%	162	1.7%	66.4%	70.1%	79.3%	0:33	0:55	5:23	66
08/05/2007	1,239	0	0.0%									:	:	:	
08/06/2007	10,188	0	0.0%	4,705	4,625	98.3%	80	1.7%	53.4%	59.9%	76.2%	0:36	0:29	4:32	72
08/07/2007	8,930	0	0.0%	4,219	4,124	97.7%	95	2.3%	42.8%	49.5%	67.3%	0:47	0:43	4:50	67
08/08/2007	6,963	0	0.0%	3,454	3,403	98.5%	51	1.5%	52.3%	57.4%	71.5%	0:45	0:44	4:39	44
08/09/2007	6,035	0	0.0%	2,790	2,754	98.7%	36	1.3%	74.3%	77.9%	85.3%	0:24	0:47	5:05	46
08/10/2007	6,463	0	0.0%	2,821	2,776	98.4%	45	1.6%	54.4%	59.5%	72.9%	0:41	0:47	4:47	37
08/11/2007	1,827	0	0.0%	0	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0:00	0:00	0:00	0
WTD	41,645	0	0.0%	17,989	17,682	98.3%	307	1.7%	54.1%	59.7%	74.1%	0:39	0:40	4:45	53
08/12/2007	1,240	0	0.0%	0	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0:00	0:00	0:00	0
08/13/2007	12,504	0	0.0%	5,191	5,079	97.8%	112	2.2%	51.3%	57.5%	73.8%	0:37	0:41	3:59	71
08/14/2007	15,292	0	0.0%	4,841	4,788	98.9%	53	1.1%	64.4%	71.4%	85.4%	0:24	0:18	4:22	72
08/15/2007	19,111	0	0.0%	4,967	4,922	99.1%	45	0.9%	81.2%	85.3%	93.8%	0:13	0:25	3:07	53
08/16/2007	7,025	0	0.0%	3,169	3,155	99.6%	14	0.4%	96.2%	95.4%	97.6%	0:06	0:07	4:01	55
08/17/2007	5,602	0	0.0%	3,009	3,003	99.8%	6	0.2%	93.9%	95.5%	98.1%	0:07	0:05	3:41	46
08/18/2007	875	0	0.0%									:	:	:	
WTD	61,649	0	0.0%	21,177	20,947	98.9%	230	1.1%	73.9%	78.4%	88.1%	0:19	0:29	3:50	59
08/19/2007	707	0	0.0%									:	:	:	
08/20/2007	8,444	0	0.0%	4,783	4,735	99.0%	48	1.0%	72.7%	77.4%	88.0%	0:20	0:31	3:38	63
08/21/2007	6,832	0	0.0%	4,010	3,993	99.6%	17	0.4%	93.0%	95.4%	98.2%	0:07	0:10	4:01	71
08/22/2007	6,137	0	0.0%	3,595	3,557	98.9%	38	1.1%	79.3%	83.8%	91.9%	0:14	0:17	4:11	52
08/23/2007	4,916	0	0.0%	2,693	2,677	99.4%	16	0.6%	90.2%	92.4%	95.7%	0:10	0:23	4:40	50
08/24/2007	4,096	0	0.0%	2,077	2,068	99.6%	9	0.4%	92.6%	94.0%	96.9%	0:08	0:27	4:59	47
08/25/2007	1,317	0	0.0%									:	:	:	
WTD	32,449	0	0.0%	17,158	17,030	99.3%	128	0.7%	84.0%	87.3%	93.5%	0:13	0:23	4:10	57
08/26/2007	692	0	0.0%	0	0	0.0%	0	0.0%	0.0%	0.0%	0.0%	0:00	0:00	0:00	0
08/27/2007	7,185	0	0.0%	4,004	3,960	98.9%	44	1.1%	74.0%	78.5%	87.9%	0:20	0:23	4:46	69
08/28/2007	5,961	0	0.0%	3,125	3,119	99.8%	6	0.2%	95.9%	96.8%	98.8%	0:05	0:10	5:10	70
08/29/2007	5,641	0	0.0%	2,883	2,869	99.5%	14	0.5%	94.1%	95.1%	97.3%	0:08	0:16	4:12	50
08/30/2007	5,745	0	0.0%	2,571	2,558	99.5%	13	0.5%	86.3%	88.7%	93.7%	0:11	0:17	4:36	48
08/31/2007	7,573	0	0.0%	2,831	2,815	99.4%	16	0.6%	94.6%	95.8%	98.2%	0:06	0:04	3:47	44
WTD	32,797	0	0.0%	15,414	15,321	99.4%	93	0.6%	88.0%	90.2%	94.7%	0:11	0:17	4:32	56
MTD	193,067	0	0.0%	81,463	80,543	98.9	920	1.1%	73.4%	77.4%	86.4%	0:22	0:35	4:25	58

Cancel Reasons by Month Report

Cancel Reasons Monthly Report

Preliminary
Numbers

Reason	Jan '07	Feb '07	Mar '07	Apr '07	May '07	June '07	July '07	Aug '07	Sept '07
Non-Payment.	14,841	9,566	4,741	4,976	5,892	5,164	7,353	9,972	7,976
Medicaid Match	1,261	1,256	2,023	2,242	1,160	859	1,336	1,723	1,288
Incomplete IV / IVIC	1,140	944	905	666	770	741	256	0	6,406
Child now 19 years old	594	539	540	537	588	632	610	682	744
Parent Request	552	515	547	356	482	433	598	718	458
Return Mail	857	358	350	913	210	333	296	278	196
Over income for Program	303	261	324	312	482	213	268	1,472	708
State Employee	26	106	200	169	100	3	195	116	358
Child now eligible for Program	101	83	82	105	142	290	219	389	110
Custody Issue	84	55	72	23	21	19	22	61	50
Other health insurance	86	47	45	32	28	16	46	28	8
Another parent provided proof of legal custody	22	26	32	11	6	9	19	32	18
Not US citizen nor qualified immigrant	0	1	2	1	1	0	0	0	0
Monthly CANCELS	19,867	13,757	9,863	10,343	9,882	8,712	11,218	15,471	18,320



BEST AND FINAL OFFER (BAFO) RESPONSE

March 21, 2008

Attachment 12 -- Cost Proposal Form

NOT CONFIDENTIAL -- this form may not be designated as confidential in whole or in part.

	Contract Signing through 12/31/2008	Year 1 1/1/09 - 6/30/09	Year 2 7/1/09 - 6/30/10	Year 3 7/1/10 - 6/30/11	Option Year 4 7/1/11 - 6/30/12	Option Year 5 7/1/12 - 6/30/13	Option Year 6 7/1/13 - 6/30/14
Implementation Costs							
Mainframe Costs	\$ -						
Office Computer Equip.	\$ 236,495.00						
Software Licensing	\$ 33,219.00						
Furniture	\$ 109,870.00						
Leases for Office Space	\$ 54,970.00						
Data Connectivity	\$ 24,910.00						
Initial System Development	\$ 414,069.00						
Programming Costs	\$ 419,234.93						
Salary and Benefits	\$ 105,378.07						
Travel Expenses	\$ 6,090.00						
Other	\$ -						
Operations Costs {yearly values only}							
Salary and Benefits		\$ 581,875.57	\$ 838,713.63	\$ 863,875.04	\$ 889,791.29	\$ 916,485.03	\$ 943,979.58
Audit		\$ 51,666.67	\$ 53,216.67	\$ 54,813.17	\$ 56,457.56	\$ 58,151.29	\$ 59,895.83
Lease, Utilities, Connectivity		\$ 66,705.01	\$ 239,672.67	\$ 189,555.40	\$ 156,193.65	\$ 160,879.46	\$ 165,705.84
Other		\$ 1,156,247.07	\$ 1,399,985.92	\$ 1,371,182.27	\$ 243,815.04	\$ 257,251.84	\$ 273,737.86
Change Service Rate							
Average hourly rate for all Change Requests		\$ 125.00	\$ 128.00	\$ 131.00	\$ 134.00	\$ 137.00	\$ 140.00
Per Member Per Month Rate (To be used in the event that Contractor is entitled to an increase pursuant to Contract terms because of increase obligations)							
PMPM Value		\$ 5.00	\$ 5.00	\$ 5.00	\$ 4.45	\$ 4.45	\$ 4.45
Subtotals							
Implementation Grand Total	\$ 1,404,236.00						
Operations Grand Total	\$ 11,049,853.35	\$ 1,856,494.32	\$ 2,531,588.88	\$ 2,479,425.88	\$ 1,346,257.54	\$ 1,392,767.62	\$ 1,443,319.11
Monthly Operations Average	\$ 167,422.02	\$ 309,415.72	\$ 210,965.74	\$ 206,618.82	\$ 112,188.13	\$ 116,063.97	\$ 120,276.59
CSR Average	\$ 132.50						
PMPM Average	\$ 4.72						